Institution for fiscal transfer to States

2495. SHRI VIJAY J. DARDA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that for planning and overall development, there are two institutions for fiscal transfer to the States—the Planning Commission and the Finance Commission;

(b) whether it is also a fact that the system has not given the anticipated results/targets, within the scheduled time-frame, during the last three decades, even after spending huge public expenditure and incurring debt; and

(c) if so, whether Government propose to try the system of Finance Commission doing the fiscal transfers through tax shares and Planning Commission having focus on efficiency to avoid time overrun and cost overrun of projects?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN):

(a) Fiscal transfers to States mainly on the non-Plan side are done on the recommendations of the Finance Commission. Central assistance for State Plans is exended to States through the Planning Commission. In addition, resource transfers to States are also effected through Central and Centrally-Sponsored schemes administered by various Central Ministries and Departments. States obtain project-bases assistance from Development Finance Institutions (DFIs) as well as multi-lateral and bi-lateral donor agencies too.

(b) and (c) Achievement of growth targets in the last three decades is given in a Statesment-I *(See* below). Shortfalls in the Fourth Plan were largely due to severe unpredictable exogenous shocks like three consecutive years of drought (1971-1973) and the first oil price shock of 1973. Since then the growth rate has improved steadily. Plan outlays from the Fourth Plan period are given in a Statement-ll *(See* below). Debt outstanding of States from 1981 are given in a Statement enclosed at .Statement-llI *(See below).* The Finance Commission is recommending shares of States in shared taxes as required under the Constitution. The Planning Commission lays stress on efficient use of Plan funds by implementing agencies.

Statement-I

Growth performance in the Five Year Plans

(per cent per annum)

SI. No.	Plan	Target	Actual
1.	Fourth Plan (1969-74)	5.7	2.05
2.	Fifth Plan (1974-79)	4.4	4.83
3.	Sixth Plan (1980-85)	5.2	5.54
4.	Seventh Plan (1985-90)	5.0	6.02
5.	Eighth Plan (1992-97)	5.6	6.68
6.	Ninth Plan (1997-2002)	6.5	5.35

Source: Table 2.1, Chapter 2, Volume-I, Tenth Plan Document**.**

Statement-ll

State Plan outlays in the Five Year Plans

(Rs. crores)

SI No.	Plan	Outlay
1.	Fourth Plan, 1969-74)	6,606.47
2.	Fifth Plan (1974-79)	18,265.08
3.	Sixth Plan (1980-85)	48,600.00
4.	Seventh Plan (1985-90)	80,698.00
5.	Eighth Plan (1992-97)	179,985.00
6.	Ninth Plan (1997-2002)	369,839.00
7.	Tenth Plan (2002-07)	561,572.83

Source: (1) Table 3.1, Chapter 3, Indian Planning Experience—A Statistical Profile, Planning Commission, Government of India, January 2001 and (2) Annexure-3 (c) Volume-I, Tenth Plan Document.

Statement-Ill

Debt outstanding of States as on 31st March

(Rs. crores)

SI. No.	Year	Debt Outstanding
1.	1981	23,959.00
2.	1985	44,395.00
3.	1990	94,224.00
4.	1992	126,338.00
5.	1997	243,525.00
6.	2002	586,687.00

Source: State Finances—A Study of Budgets of 2003-04, Reserve Bank of India, April 2004**.**

National Policy for NGOs

†2496. SHRIMATI MAYA SINGH: Will the PRIME MINISTER be pleased to refer to the answer to the Starred Question 44 given in the Rajya Sabha on 4th December 2003; and state:

(a) whether the draft National Policy for NGOs containing the questionnaire regarding co-operation from voluntary organisations has been circulated among them and if so, the progress made in this regard; and

(b) what are the main features of the policy?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN):

(a) The draft National Policy for the Voluntary Sector was circulated to the members of the Joint Machinery for Government and Voluntary Sector Collaboration. Comments received from voluntary organisations and other members of the Joint Machinery were discussed in the meeting of the Joint Machinery, held on 15th January, 2004. The revised draft National Policy for the Voluntary Sector prepared on the basis of the

†Original notice of the question was received in Hindi.